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CONSIDERATION OF THE ROLE TO BE ASSIGNED TO PLANNING IN THE CONTEXT OF AFRICA'S SOCIO-ECONOMIC TRANSFORMATION AND DEVELOPMENT

INTRODUCTION

1. In the light of the changes that have recently taken place or are emerging in the world and in Africa, there can be no maintaining any illusions about the centralized planning methods and practices used in Africa since the early 1960s. These changes are also seen in the dramatic collapse of Eastern European economies and with it the belief that central planning was synonymous with speedy and lasting growth and development. In several African countries they have been reflected in the adoption of the market economy system and the pursuit of financial stabilization and structural adjustment policies. In this context, the role of the State is being increasingly confined to the creation of a growth- enabling environment: to the search for ways to set up and maintain basic socio-economic infrastructures, to the provision of such public services as defense, justice, education, health, to the formulation of short-term macro economic policies, the laying down of major guidelines for economic policy and the promotion of private enterprise.

2. However, it is increasingly apparent that the policies now being pursued are by themselves inadequate to create the conditions necessary for lasting socio-economic recovery and development. This is because they overlook such vital issues as the equitable distribution of wealth; the deployment of manpower to meet priority requirements such as health, education, housing and employment; the integration of ecological variables and the promotion of regional and subregional cooperation neither of which can be adequately dealt with outside of a long-term planning perspective. If these issues fail to be adequately addressed, the emerging democracies will be seriously undermined by situations of profound inequality and injustice which could be a constant source of social and political instability.

3. After 30 years of experimenting with centralized planning, the idea gaining ground today, as an appropriate solution is the divestiture of the State from those activities in which private enterprise can function effectively and the immediate removal of the major constraints which stifle popular participation. It is also widely acknowledged that only within a democratic context can popular participation flourish on a lasting basis and that, the democratic environment should consolidate its own transformation by decentralizing policy-formulation and decision-making.

4. The major challenge for African planners today is to find new ways and adequate planning systems which will effectively speed up popular participation and integrate short-, medium- and long-term concerns in order to consolidate the emerging democratic environments.

5. This study forms part of the search for new ways of planning in Africa and aims at outlining the role that planning should play in future in the new context of development in Africa. This role is as yet undefined because the social unrest and upheavals that could take place in the emerging democracies of Africa cannot be foreseen, and the search for genuinely national solutions could take a long time as societies feel their way politically. One thing that is sure is an undeniable and genuine need to plan. This is so certain that it is up to the national planners to seek out and specify the roles which suit the socio-economic and political environments in their respective countries. This paper therefore only begins the search for a solution and must be followed up by more solid and comprehensive research. It comes in two parts - the first gives a general overview of planning techniques and practices in Africa over the last three decades and the second attempts to identify some important aspects of the future role of planning.

I. General overview of planning practices and techniques in Africa from the 1960s to the present day

A. 1960s euphoria in planning despite weak technical and institutional capacity

6. In the wake of independence, African countries set themselves the task of defining the measures that they should implement in order to complement their political independence with economic independence. They were faced with an immense task and the numerous implications of

the unavoidable reorganization and restructuring of the economies inherited from the colonial system. Therefore the measures defined, pride of place was given to development planplan;ning, whose necessity was acknowledged by all shades of opinion. For the newly-independent African countries, planning was a symbol of progress and autonomy and an effective means of acceding to genuine economic independence. It also made it possible to assess and to bridge the gap between themselves and the developed countries. The justification for this position was:

(a) The success of the Soviet five-year plans that had propelled the country to the position of second world power in less than 50 years;

(b) The need for foreign assistance which could not be secured without a national economic development plan; and

(c) The experience gained during the colonial period in certain countries such as Ghana, Morocco and Egypt where planning had been instituted.

7. Overall, however, the planning capacities, namely, institutional framework, the statistical apparatus, skilled manpower, etc. were virtually non-existent. Because of this, the first plans in Africa were prepared largely by foreign technical assistance, including freelance experts, research firms, bilateral assistance teams and missions of international financial institutions, supported by local teams comprising directors of central planning bodies and the few experts of technical ministries, which did not have adequate facilities for project analysis or regional planning. Even when the technical assistance personnel had acquired planning experience elsewhere, they knew very little about development problems in Africa and the few local personnel were young and inexperienced.

8. There was a very striking similarity between the development strategies and objectives adopted, although each plan was prepared within a strictly national framework, without taking account of planning in neighbouring countries. Despite the ideological differences, the main concerns were as follows:

(a) Reorganization of the colonial administrative structures with a view to adapting them to socio-economic development objectives;

(b) Reform of domestic trade and distribution channels;

(c) Development of the modern sectors, particularly cash crop agriculture and mining;

(d) Speedy establishment of national local raw material processing industries and research structures for the development of natural resources; and

(e) Intensification of schooling and staff training for the Africanization of jobs, increasing health care facilities, establishment of social infrastructure, etc.

9. In general, the overriding objective in all the plans was the raising of the standards of living and improvement of the living conditions of the people through increased national production and a fair distribution of the national income.

10. The development strategies, on the whole, were founded on increasing the productivity of the modern sectors, particularly agriculture and mining in order to obtain the necessary financial resources for capital, intermediary and consumer goods. Producer prices given to farmers were to help expand

domestic demand, increase agricultural productivity and free part of the agricultural labour force for other productive activities, especially in industry. The main purpose of industrialization was to ensure import substitution and, to a lesser extent, to process exportable raw materials and to produce capital and intermediate goods. Besides, industrialization was to promote employment creation and structural changes conducive to economic modernization, promote vocational training and generate domestic savings. However, in so far as the largest share of the resources was to come from abroad, foreign trade became the cornerstone of the established economic system.

11. Theoretically, the plans were comprehensive because they specified objectives for sectoral GDP growth, public and private investment, government and household consumption and exports and imports. However, the objectives were nothing more than indicator projections based, most often, on extrapolations modified on the basis of common sense. While the plans can be classified as indicative or imperative, it should be said that African countries did not have the tools for either of the two types of planning; in other words, their administrative apparatus was quantitatively and qualitatively inadequate for implementing imperative planning. Indicative planning instruments were also disadvantaged by the lack of diversification in the taxation system and by a rudimentary credit system, lack of or very restricted financial markets, a large own-account sector and budgetary expenditure composed largely of operating expenses. The formal framework of the plans was therefore limited to securing coherence between investment objectives and domestic and external resources.

12. The pride of place given in plans of the period to the development or investment budget testified to a certain degree of continuity from the colonial period and to the fact that the budget was the main instrument to which the planning body had access. The development budget was also of particular importance to donors in the sense that the initial plan implementation rate most often determined the actual level of development expenditure.

13. Planners paid little attention to the operating budget and planned recurrent development spending was inadequately examined. Moreover, the planning agencies only showed sporadic interest in economic policy instruments such as pricing and credit policies, money supply, exchange rates, currency regulations, regulation of private external borrowing, aid distribution, taxation and public expenditure other than investment. All these instruments which constitute the controls of the economy and which enable its balance to be preserved were not analyzed and systematically integrated in the planning system. They were managed independently by such institutions as the Ministries of Finance and Trade and the Central Banks over which planners had no authority.

14. For this reason, the optimism aroused in the 1960s with respect to macro economic trends, quickly proved to be unrealistic in the face of foreign sector imbalance brought about by extremely slow export growth, increasing dependence on imports and capital flight. The public finance imbalance reflected the rapid growth of operating expenditure as well as the swelling of current expenditure as a result of investments made without detailed study and without serious planning. Along with this, industrial production stagnated as the easiest import-substitution possibilities were quickly exhausted, bringing in its wake a consumption pattern characterized by a widening income gap aggravated by the introduction of highly capital- intensive technologies. Progress made was mainly in the areas of education, health and training.

B. Development planning during the 1970s

15. In the face of this situation, the 1970s witnessed a substantial expansion of planning activity in an effort to remedy the shortcomings of previous attempts. The theoretical scope of planning was

expanded at three levels. Firstly, at national level: the increase in the number and size of enterprises led to a substantial extension of the role of the State. Secondly, at subregional level: it seemed that the balkanization of the continent was a factor of external vulnerability that limited growth possibilities and undermined Africa's position in international negotiations. Similarly, the lack of coordination between national policies that had characterized the initial plans led to the duplication of non-viable projects. Efforts were thus initiated to establish various subregional organizations and to implement various forms of cooperation and integration from which several benefits were expected including increased intra-African trade, integration of industrial production and services, easier and less costly access to foreign technologies and harmonization of national plans. Thirdly, at regional level: the revised ECA master-plan for establishing a new world economic order highlighted the discrepancy between the development strategies adopted in the 1960s and Africa's economic transformation objectives and went on to formulate new strategies for: (i) making specific efforts to secure increased self-sufficiency; (ii) accelerating the internal and autonomous process of growth and diversification; and (iii) gradually eliminating unemployment and mass poverty.

16. In the countries, the institutional planning framework was gradually reinforced with skilled manpower and resources and new planning agencies and posts were created. Permanent structures including ministries or offices, planning and programming departments, units within technical ministries, regional planning services, central statistical offices equipped, in principle, with all the functions necessary for carrying out the planning exercise, namely definition of economic planning policy, studies on the design and implementation follow-up, programming, development project evaluation, organization and direction of programmes, investment coordination, organization of consultation with socio-professional groups, harmonization of opinions and possible choices, etc. dominate all socio-economic activities. These are strengthened by such temporary structures as supreme planning councils (the supreme authority responsible for directing economic policies), the planning management committee (the technical guidance body), sectoral technical committees (responsible for the detailed preparation of the plan) and advisory bodies (which give economic and social advice).

17. The planning process, which was more or less complex depending on the country concerned, is governed by the same logic in all systems: definition of political directives by the political authorities; preparation of a general framework by the central planning body; detailed analysis by sectoral committees, synthesis and approval; and implementation and follow-up.

18. In the plan preparation process, sectoral technical committees whose main task is to study prospects by sector and by branch, to specify the objectives to be attained during the final year of the plan and to determine the various resources necessary for their attainment have a vital role to play. Because of the number of these committees (supposed to embrace all activities covered by the plan) and the varying backgrounds of the personnel taking part in the work (theoretically all technical and administrative officials involved in the implementation of the plan both at the national and local levels), their experience, expertise, surveys and basic studies on which they depend, plans are considered to be a collective effort. The comprehensiveness indispensable to balanced planning, is achieved through the harmony of general operating hypotheses, the homogeneity of the estimation methods used and general coordination of all evaluations.

19. Although not always clearly obvious, the methods used combine pragmatism and empiricism, for lack of a reliable statistical apparatus with the conventional projection procedures of extrapolation, use of capital coefficient, input-output and consumption models, project analysis, etc. for determining the growth rate of investments, sectoral production and consumption patterns. In some respects, there was a marked development of planning methods during the past two decades with local officials

becoming more conversant with them. However, despite the recruitment of a large number of local economists and considerable civil service staff strength, the practice of calling upon foreign technical assistance personnel or financial institutions to prepare plans continued.

20. At the micro-economic level, project evaluation methods were considerably developed. Attempts were also made to conduct systematic analyses of agricultural markets (and pricing policies) and the effectiveness of foreign trade and exchange rate policies. It cannot be said, however, that these analyses are regularly applied in the formulation of policies, but there is now a wealth of experience and data. At the macro economic level, the increasing use of models has stimulated the search for fundamental relationships, the assessment of statistical data bases and the conduct of more complex macro-analyses.

21. Nevertheless, the expansion of the institutional framework led to a dispersal of planning tasks among a large number of poorly coordinated bodies that did not have access to the top officials and which, instead of bringing about greater coherence in planning operations, further disorganized them.

22. For instance, the choice of an appropriate location of the central body and of the institution of a major decision-making process requiring coherent and firm planning have remained an endemic problem that is still unsolved. The quasi-general rule is to separate the Ministry of Finance and the Ministry of Planning, with the latter Ministry having no priority over the other ministries. In the few exceptions to this rule namely, Botswana, Ghana and the Central Africa Republic, there has not been any change in the process of resource allocation. In times of economic crises, short-term budgetary concerns relating to the functioning of the public services gain precedence over any investment expenditure. Thus the domestic investment budget prepared by the Ministry of Planning depends on the goodwill of the Ministry of Finance and very often remains a dead letter. Planning authorities are further weakened by the fact that budget estimates are generally not based on those of the basic indicators in the plan. The other technical ministries with the same status as the Planning Ministry, in government hierarchy, also do not submit to its requirements since they have direct or indirect access to external financing sources. The Ministry of Planning tries single-handedly to keep an up-to-date list of projects which increasingly become unrecognizable as changes are made in the designation, content and orientation of activities.

23. Moreover, planning and finance departments are unable to monitor the financing of projects because disbursement accounting is not their responsibility. This is because the appeal for funds is often made directly between the project management and donors and payments are also made between donors and external suppliers of goods and services. The technical departments themselves do not always have information on the physical implementation of their projects and cannot lay any claim to verifying the relevance of their objectives, the choice of technologies or the quality of the impact of the projects and programmes on the actual living conditions of the people.

24. The private sector which does not have easy access to planning and budget documents because of the bureaucratic tendency to secrecy does not feel party to the implementation of the plan since it had no part in preparing it, and only got to know of it through the often very unrepresentative chambers of commerce and industry.

25. Designed without coherence from competing and ambitious political options, macro economic projections totally detached from economic, financial and socio-cultural realities, and within the context of ritual state budgeting based on the computation of project ideas within technical ministries, plans are implemented amidst inter governmental and inter-bureaucratic rivalries, in other words in a disorder that leaves no room for coordination and harmonization of the plans at the subregional

level. Subregional coordination structures which depend on national budgets to function, struggle for survival and attempt to implement, with State backing, projects financed by external sources and which are not included in the planning process.

C. Marginalization of planning systems during the 1980s

26. During the 1980s, several initiatives were made at the regional level to base planning on specific strategies and objectives suited to the economic development and growth of the continent. These were the adoption of the Lagos Plan of Action (LPA) and the Final Act of Lagos (FAL), Africa's Priority Programme for Economic Recovery (APPER), the United Nations Programme of Action for African Economic Recovery and Development (UN-PAAERD) and the African Alternative Framework for Structural Adjustment Programmes for Socio-economic Recovery and Transformation (AAF-SAP).

27. During this period, however, the trend towards the low rate of planning was reinforced by the serious and widespread social and economic crises that the continent was going through and whose visible consequences from 1980 to 1989 were the decline in various sectors i.e. 1.7 per cent in per capita income, 1.9 per cent in gross fixed capital formation, 2.7 per cent and 3 per cent in the volume of imports and exports respectively, 3.1 per cent in commodity prices, coupled with a quadrupling of unemployment, a doubling of the debt burden to $US 256 billion in 1989 and an increase from 17 to 18 of the number of African least developed countries.

28. With the continuation of the crisis and the attendant mounting uncertainty, the international environment and growth conditions have become less and less foreseeable over a long period of time, making the urgency of needs and the tensions that they engender even more critical. Macro economic and financial imbalances result in more intense intervention of external partners in debt payments and in the policies for bringing about a balance. The countries continued to engage in an unending succession of structural adjustment that came to replace long-term development strategies: numerous plans prepared in keeping with the objectives of the LPA and FAL were purely and simply cast aside without any hope of being implemented.

29. The crisis has undermined the belief in planning for several reasons:

(a) The leverage of Governments in decisions on the allocation of resources has been drastically reduced and even totally eliminated;

(b) The policies implemented in structural adjustment programmes have nothing in common with the usual stages associated with economic planning; and

(c) The crisis has put in question the effectiveness of previous planning efforts and strengthened the arguments of those who had criticized public intervention in those efforts.

30. The erosion of the leverage of Governments came about as the result of the increasing share of external aid in development budgets, which affected the distribution of external resources as well as predetermining national contributions to projects financed and influencing the trends in recurrent expenditure for the selected projects. In fact, decisions on investments, particularly public investments are made during negotiations on aid and debt repayment.

31. Structural adjustment policies aim, inter alia, at trimming down the public sector, eliminating price distortions in the various sectors, liberalizing trade, promoting savings and, over and above that, securing balanced budgeting and balance-of-payments equilibrium through the adjustment of exchange

rates, devaluation, interest rates policy aimed at encouraging savings and better resource allocation, credit control and reduction of public expenditure. States implementing adjustment programmes seek to restore liquidity in their economy and to withdraw from the productive sectors. Most deplorably, SAPs are generally prepared with the support of the World Bank and IMF independent of any consultation with the parties to the social contract under which the plan will be implemented. Initially designed as temporary corrective measures, SAPs have gradually become foreign-operated economic policy instruments of no set duration. In spite of the accompanying liberalization, they hardly allow for decentralized planning because of their paradoxical tendency to overly centralize public financial resources.

32. The wide range of instruments available to Governments for restoring general economic balance include: the budget, the money supply, credit, exchange control regulations, exchange rates, regulations on external borrowing and, to a lesser extent, aid distribution. In African countries, these measures come largely under the responsibility of the Ministry of Finance and the Central Bank. Structural adjustment programmes are going to move the centres of decision-making mainly towards these institutions, leading to a loss of influence of the Planning Ministry and indeed the marginalization of the planning systems in keeping with liberal thinking that local prices should reflect international market prices and also that State control should be minimized. Such a concept seems to suggest that planning should have as little influence as possible on the international economic relations which form the backbone of African economic systems.

33. The modalities of adjustment programme implementation and the major role played by the World Bank and IMF have also deepened and widened donor interference in the work that falls within the area of competence of national planning systems: advice on economic policy options could lead to strict conditionalities regarding the securement of funds for projects planned under investment programmes; close supervision in the execution of certain projects; and establishment of totally autonomous economic diagnosis and forecast facilities by certain multilateral or bilateral agencies, some of which could conduct their own economic surveys, process the data and analyze them to back up their standpoints during negotiations with the countries, etc.

34. In practice, the diversity of aid bodies and procedures and the concern of donors to maintain direct contacts with each administration responsible for the programme, make it possible to evade any central control, making the coordination of aid which is the responsibility of the Planning Ministry difficult. Moreover, the short-term collection, processing and analysis of information on public finances and debt often involve all the planning, forecasting and statistical services. This aspect introduced in statistical and planning work by donors should not be under estimated. The poor quality of data on household consumption, savings, employment and mobility patterns or those relating to regional and spatial development is due to the little importance that donors attach to income distribution issues. The countries themselves have not paid enough attention to the development of the statistical services so that in several countries macro economic data collection has advanced very little or has even deteriorated. Such deterioration of the statistical base makes planning more difficult since a decline in planning, in turn, contributes to greater incoherence of the statistical system. In fact, good statistics are produced in response to specific needs.

35. Another major consequence of adjustment programmes is that with the erosion of the central control exercised over resource allocation and the ever-increasing external share in investment financing, the objective of planning has shifted from rational resource allocation to the search for external financing, with the plans reduced to a list of projects proposed to external aid agencies for selection. A fairly widespread trend in the implementation of SAPs during the 1980s was the system of triennial rolling programming (Côte d'Ivoire, Togo, Gabon, Senegal, Mali, Botswana, Seychelles,

the Niger, etc.) which made it possible to clearly outline the annual investment budget and medium-term investment programme. The triennial public investment programme, in principle, comprises macro economic perspectives for a three-year period and a portfolio of projects included in the consolidated public investment budget (comprising State resources, gifts and funds drawn on external credits subscribed, guaranteed or reallocated by the State). The first year of the programme corresponds to the financial investment budget voted by law. The triennial public investment programme is roll-sequenced to cover the budget year and all State investments. It involves an annual evaluation of financing capacities and the implementation of studies on the timeliness and feasibility of the projects concerned. It also formally introduces the procedure of competent budgeting and is equivalent to a law. While it resembles a long-term planning process (enumeration of macro economic indicators and listing of supporting projects), the triennial public investment programme corresponds to the logic of SAP and not to that of long-term planning. Adjustments are based on actual, particularly external financing possibilities and not really on long-term development objectives and priorities. Its preparation is also far from being the product of collective effort, a worthwhile objective pursued in the preparation of national development plans.

36. The quality of the investment programming thus undertaken depends on three elements: availability of the statistics necessary for macro economic and macro-financial framing, methodologies and project evaluation and selection techniques and the taking-over by the technical ministries of certain investment programming and monitoring tasks. These three conditions are far from being met. In fact, there are long delays in the production of national accounting statistics in many countries, with the capacity to select projects being totally contingent on the availability of external financing. Ministerial departments rarely monitor the physical implementation or impact of projects. Even worse, just as in the case of national plans, popular participation or the organization of a permanent dialogue for such participation is totally lacking.

37. To sum up, development planning experiences in Africa are characterized by poor performance in the fulfilment of objectives and by numerous deviations from official priorities. The reasons for this are the unsuitability of the development models adopted, unrealistic projections, lack of cohesion between objectives and the resources for achieving them, numerous technical deficiencies at the level of design and implementation, strong external dependence and the lack of control over the resultant economic policy instruments. The vulnerability and precarious nature of the main activities of the majority of the people (agriculture, subsistence and informal activities) limit the impact of normative planning. SAPs that have gradually replaced development plans are inappropriate because they are focused on the short-term and the regulatory function of the market, contrary to common knowledge that many problems cannot be left to the mercy of an imperfect market incapable of seizing development opportunities.

38. The elimination of the strategic function of planning by SAPs has several adverse consequences: the long-term consequence of policy decisions are neglected as are essential issues such as income distribution, population, employment, popular participation, appropriate development and long-term structural models. On the other hand, thinking on these issues has clearly shown that the main problems of Africa are not primarily those of adjustment and restoration of balances but rather those of the very essence of development, the priority needs to be addressed, the social and cultural balance to be achieved and what that means in terms of equitable relations with the outside world.

II. THE NEW PLANNING PROCESS

A. Role and major objectives

39. For a long time, the main objective of Africa's development will remain the reduction of widespread poverty and the improvement of the standards and conditions under which people live. The main role of planning is to help to achieve this objective by instituting an endogenous development process which is the only way that will enable African countries to achieve autonomy and to carry out authentic economic and social transformation. The experience of the past three decades described in Part I of this paper shows that there can be no lasting socio-economic development without the voluntary, free, full and active participation of the people themselves in the process with due account taken of the need to address short-term needs in basic foods and in essential goods and services.

40. In order to play this role, planning should be aimed at achieving the following essential objectives: (i) to bring the national body politic to a high degree of internalizing the stakes of planning by helping people to make a set of democratic choices having to do with the type of the society they want to build, long-term development policies and the various stages in which they are to be pursued, the setting of objectives and priorities at each stage; (ii) to make the plan a sure and useful reference for all categories of economic and social transactors: household, public and private enterprises, the informal sector, funding agencies, mass organizations, subregional and regional economic and political groupings; and (iii) to promote the integration of African economies.

41. To this end, planning must be based on the broadest possible identification of needs and constraints, the objective analysis of the interests at play, the search for reconciling such interests through procedures for negotiation and the formulation of genuine collective preferences which are reflected in the priorities of a coherent strategy. Such a strategy will become the standard point of reference for all decisions taken in implementation of the strategy and the process will be all the easier since a democratic process of decision-making will have been organized to allow for effective and continuing dialogue throughout the planning exercise. The strategy should also be built on the genuine and manifest political will of the people as expressed in the commitment of all the social strata to its vigorous implementation. This will be possible only if the planning process takes into account the various forms of participatory development, the networks and relationships of popular organizations and seeks, as a matter of priority, to develop and to strengthen national capabilities for the design, analysis and implementation of reform programmes that will transform the nation socially and economically. In developing national capabilities, care must be taken to give priority to enhancing people's ability to design and implement development projects which cannot succeed without their participation and support. Consequently, African voluntary organizations and non-governmental organizations should in particular be at the centre of the planning process.

B. Major requirements for planning

42. Planning can only achieve these new objectives within the context of effective decentralization of the decision-making process and the integration of long-, medium- and short-term concerns into the development vision. For the speedy attainment of endogenous development therefore, the main constituent elements for decentralized and participatory planning should be identified and ways found for articulating and coordinating long-, medium- and short-term plans so as to remove gradually such constraints and impediments to planning as the highly precarious and vulnerable nature of essential activities, external dependency, the serious lack of statistical information, the lack of control over economic policy instruments, the weakness of planning institutions, the absence of popular

participation and of dialogue with the social components involved in the process and the weakness or lack of both training and resources in the local private sector among other things.

C. Decentralized and participatory planning

43. Decentralized planning is one approach to regional planning that consists of distributing rationally on the national territory both productive forces and economic activities on the basis of a comprehensive strategy for developing natural resources, economic and social infrastructure while taking into account the needs and distribution of the population. Through decentralization, the planning process can better control the spatial dimension of development through: (a) the organization of national space using physical planning schemes; (b) the balanced development of the rural world through the promotion of more diversified production activities and the establishment of human settlements with a view to checking rural-urban drift through such activities as would influence the movement of people and trade; (c) urban development in harmony with industrial and infrastructural development; (d) deglobalization of sectoral planning and the greatest decentralization possible in action programmes; and (e)At the micro enabling the emergence of a sound work ethic based on powerful incentives.

44. To this end, planning must be seen first of all as a policy, reference and stimulating instrument for economic activities aimed at a better setting of priorities and greater coherence in policy-making. The role of the central planning organ should be confined to coordinating all regional and local plans within a comprehensive framework that seeks to integrate them and whose policy orientation is based on a deep knowledge of the regional and local potential, needs and priorities.

45. The pursuit of a decentralized planning policy should also make for greater management autonomy and freedom of decision-making for public enterprises and mass organizations especially. The search for ways and means of taking into account the initiative of people, regional and local communities with a view to satisfying their own needs from their own resources should be a fundamental and continual aspect of planning.

46. As a matter of fact, a decentralized and participatory planning system pre-supposes the existence of regional and local decision-making centres that are by nature independent of the national centre of decision-making. Such centres should have their own objectives and resources as well as negotiating power. They should be empowered to formulate, implement and evaluate regional or local plans in relation with grass-roots development organizations.

47. It may turn out that decentralization would be costly particularly with reference to basic studies and the running of new planning agencies. However, the genuine political will which forms the basis for the new planning process should make it possible to pay the price using an objective evaluation of the costs involved since only by a firm and irrevocable commitment to decentralization can planning better take into account the interest of beneficiaries and make them participate effectively in the planning process.

48. It is also undeniable that when various regions of a country are all animated by the legitimate aspiration to put an end to underdevelopment and its train of misery, poverty and disease, they enter into competition with one another because the scarcity of resources makes it inevitable for the central authority to arbitrate. Such arbitration, however, should be based on a constructive, objective and rational dialogue that makes it possible to distinguish the local from the regional and national interest which, at their respective levels, must be justified, concerted and consolidated. The objectives of justice and equity and the keen sense of patriotism should form the basis of such arbitration. They

should also help to ensure that regional distinctions are made on the basis of a national consensus that safeguards peace and social stability.

49. The risk is also great but foreseeable that the decentralized planning system might end up becoming a multiplicity of small and unviable projects given the fact that demagogy is highly tempting at the local level close to the electorate. One role of the new planning process is to reduce such a risk to the minimum through an effective contribution to the selection of projects, the evaluation of costs and the judicious sharing of such costs.

50. In the current context of Africa, this type of planning will doubtless require a fresh distribution of tasks within the State apparatus with a substantial transfer of technical skills and financial resources to the regional and local levels in terms of operating resources, consultancy agencies and technical planning commissions. It might be crucial to set up effective local development assistance institutions to provide financial, technical and material assistance to decentralization activities and for initial and further training programmes to be set up to enable staff to cope with the requirement of decentralization.

51. Decentralization also pre-supposes the existence of in-depth regional studies on the development status of the region, its potential, its specific features, in particular geographic, demographic and social, its needs and development trends, the various social categories, their major problems, the principal constraints, the social and economic disparities within the same region and among the various regions in a country. It requires a developed statistical capability and adequate resources for planning because the basic studies are of capital importance for rational location of projects and for the harmonization of planned activities. One of the major causes of the failure of attempts at decentralized and regional planning in Africa in the past has been the lack of basic studies and the paucity of statistical information. This should be given particular attention.

D. The integration of long-, medium-, and short-term considerations

52. The principle of this approach is to ensure that in the medium- and short-terms, long-term development decisions predominate and that development is not subordinated to structural adjustment requirements as is being done in the roll-sequenced public investment programmes being carried out in a good number of African countries. It also involves the application of long-term policy guidelines in the use of the technical instruments available for planning. The integration of the short- and medium-term considerations is technically dependent on two types of interface: an interface between specific and political objectives to be achieved and an interface with the practical decisions that these objectives and policies require over time.

53. In order to achieve the former, considerable efforts must be made to ensure that the objectives and policies are clear, precise and so detailed that from the initial to the final phase the responsible institutions, the procedures, the time frame for implementation and the direct and indirect factors contributing to their achievement are clearly defined. Each policy would therefore have to state the estimated time required for its formulation and implementation and the sequence of its effects in time whether or not the policy has to do with investment or leadership training.

54. In this approach, an effort is made to know the dates by which the effects of a specific programme will begin to be felt, to better appreciate the interface and inter-dependence of policies, to take cognizance of the importance of the chronological sequencing of policies and to improve substantially the quality of plan follow-up and implementation by making a rational choice of indicators suited to the various programmes and subprogrammes.

55. Since accuracy in policy formulation has highlighted the issue of coherence with policy objectives and detailed programming shows how activities are to be sequenced in time and to align decision- making to set objectives, the harmonization of long-, medium- and short-term considerations will be fully effective. A major gap in African planning will thus be filled by the required strengthening of financial control, the development of physical monitoring of investment programmes, the follow-up of implementation and the evaluation of the impact of policy guidelines for the creation of an enabling environment. Such monitoring will reveal design deficiencies and constraints to the pursuit of planned policies and should invite the necessary corrective measures. The problem of many African countries is that of implementing impartially and effectively appropriate legislation to encourage investment and private initiative within an environment that favours development including the improvement of all the human qualities of people without which development cannot be instilled into the social fabric of the nation - such values as that which society attaches to personal effort, work and the spirit of enterprise and initiative which gradually diminish if not actually disappear when laws are enforced arbitrarily or tainted with bias. The impartial enforcement of appropriate laws will contribute substantially to ensuring that decision-making conforms to set objectives.

56. The process of planning should therefore have long-, medium- and short-term components comprising the following:

(1) A 25-year long-term plan which allows for continuing development and the structural changes expected to occur in the economy. Such a plan would deal above all with the main macro economic components, the priority sectors and with large-scale projects of paramount importance to development at the national, subregional and regional levels:

(a) The retrospective analysis will attempt to define the development trends observed as well as the mechanisms of such development and among them the conditions for changing the trend. It will also identify the main variables at the source of the trend and other dynamics needed to secure a more accurate picture of the realities;

(b) The prospective analysis will use its instruments to determine the likely trends in the future on the basis of the critical variables selected. However, since such an analysis can hardly be considered to be foolproof, it should also distinguish between various development scenarios using various hypotheses as to trends and variables, identify the risks and advantages of these hypotheses and link them to the normative scenarios, taking into account collective preferences for building desirable and credible scenarios. Building scenarios also helps all concerned to improve their view of the situation through the alternative political, economic and social options presented. Perspective studies conducted by ECA and other international organizations could be analyzed in this regard and adapted to specific national and subregional frameworks by means of more detailed long-term forecasts using sounder statistical methodologies to be prepared as a matter of priority. The national issues to be dealt with will focus essentially on:

(i) Population: expected growth, volume, age structure, spatial distribution, migratory trends, urbanization, rural exodus, social stratifications, aspirations of specific groups, role of women and youth and other groups. Environmental problems posed by population increase;

(ii) Human development, feeding the population, job creation, minimum essential socio-economic facilities and amenities, types of education and training for meeting future needs;

(iii) Consumption pattern and cultural aspirations;

(iv) Production structure and consumption pattern;

(v) Impact of new technologies and international specialization;

(vi) Macro economic prospects;

(vii) Resource mobilization:

a. Prospects for domestic savings and the return of capital invested abroad by nationals;

b. Income distribution and problems of access to resources;

c. Sustained mobilization of resources to finance development programmes, prospects for external financing and modalities that will maximize the effectiveness of external aid;

d. Mobilization and integration of skilled nationals working abroad;

e. Creation of proper conditions for the use of skilled nationals and capabilities; and

f. Capability for viable project design and for proper management of such projects;

(viii) Political and institutional structures suited to endogenous development;

(ix) Sectoral problems such as achieving agro-food balance and creating conditions for desirable environmental development:

a. These are basically long-term issues which bring the characteristics of the society into play. It is absolutely necessary to understand that a long-term problem is not one whose solution can be postponed until later but one whose obvious consequences will have an impact in the long run;

b. At the subregional and regional levels, programmes and measures likely to intensify cooperation and integration will also need to be identified as will the types of national products to be developed for the subregional and regional markets. At the international level, studies should be conducted into the competitiveness of national exports on international markets, the types of research and products to be developed, the measures to be taken to monitor and to analyze changes in the international market and to respond appropriately to such changes.

(2) Four- to five-year medium-term plans which would be so sequenced as to make implementation of the long-term development plan possible and introduce a degree of flexibility into the planning process. In particular, the medium-term plan would spell out the structural development strategies to be pursued, an institutional development strategy and an environmental action plan. The medium-term plan would thus become an instrument for review and updating of the long-term plan and ensure its continuity. It should also become the means of facilitating gradual transition and for

ensuring that short-term programmes are compatible with long-term prospects. It should be more detailed and relate not only to sectors and subsectors but also to various specific planned activities.

(3) One- to two-year short-term plans which will serve as instruments for implementing medium-term plans. Such plans should be detailed and precise with regard to the nature and structure of resource allocation to the various sectors, subsectors and projects and make for the systematic integration of the financial, economic and social aspects.

E. Mastery of economic policy instruments

57. Within Africa's current situation, policy preparation systems should be systematically assessed and a programme of action formulated to improve and strengthen national planning systems and establish planning structures at the subregional level, as a matter of utmost urgency. Such an assessment must deal, particularly, with institutional and organizational capabilities, local planning staff and conditions for the efficient functioning of selected economic policy instruments for the implementation of an endogenous planning process.

58. The adoption of an integrated forward-planning process capable of reflecting long-, medium- and short-term concerns by integrating financial and realistic variables, presupposes a planning system likely to master any economic policy instruments that govern:

(i) Income and expenditure budgets; implementation of fiscal and public spending policy adapted to plan objectives;

(ii) Money supply and loans: policies on the sectoral allocation of loans to be granted in priority sectors, adoption of selective interest rates, establishment of a fund for lending at subsidized rates to certain groups of operators, intra-African monetary cooperation, etc.;

(iii) Distribution of foreign aid, pursuant to objectives and priorities of the plan;

(iv) Regulation of foreign borrowing: limiting of debt service ratios, channelling borrowed money into plan objectives and priority areas, etc.;

(v) Exchange rate and exchange control: rational use of de facto multiple exchange rates and/or establishment and streamlining of such a system so as to transfer and mobilize resources, stop capital flight and ensure the availability of essential imported products.

(b) System to encourage efficient resource allocation:

(i) Adoption of investment codes and procedures so as to promote local small-scale industries, modernize agriculture, animal husbandry and the informal sector;

(ii) Regulation and orientation of foreign investment to conform with priorities of the plan;

(iii) Control over public enterprises (choice of technologies, determination of production costs, employment and training policies, production programmes, etc.);

(iv) Pricing policy, especially, for agricultural products and other essential goods and exercise of control over them;

(v) Selective policy to subsidize prices in order to increase the local supply of essential goods;

(vi) Policies on public service employment and salaries in conformity with objectives of the plan;

(vii) Fiscal policies in favour of long-term development;

(viii) Review of policies relating to customs duty, import quotas, taxes and export subsidies in order to accelerate the integration of African economies; and

(ix) Policies on import licences oriented towards priorities of the plan; transport policies geared towards the development of intra-African trade.

(c) Institutional and local manpower development - quality control instruments:

(i) Land and agrarian reforms policy giving increased access and right to land as well as land ownership;

(ii) Scientific and agricultural research policies reflecting the priority objectives of the plan;

(iii) Educational and training policy in line with long-term economic development objectives;

(iv) Policies to rehabilitate and rationalize production capabilities and infrastructures;

(v) Physical planning policies for fairly balanced spatial development liable to curb rural-urban drift and the growth of cities;

(vi) Population policies in relation to development objectives;

(vii) Popular participation in the planning process - organization and modalities;

(viii) Legal infrastructure: formulation of precise legislation on the participation of various economic and social groups such as rural cooperatives, craftsmen and traders; and

(ix) Establishment of rural institutions to encourage cottage and home industries with emphasis on indigenous technology, domestic financing, rural infrastructure and women's participation; community development institutions, particularly, local NGOs and self-help programmes.

59. Certain specific instruments for the follow-up of popular participation identified within the African Charter on Popular Participation such as:

(a) Political accountability of leaders at all levels for the results and progress of planned activities;

(b) Decentralization and democratization of decision-making processes and institutions;

(c) Press and media freedom in order to facilitate public debate on major issues;

(d) Rule of law, social and economic justice;

(e) Protection of the ecological and human environment; and

(f) Establishment of a coordinated planning system that controls all the economic policy instruments for selected plan implementation.

60. Planning must basically address the examination and selection, depending on the special situation of each country and subregion of major policy instruments (which must be given their proper place, within a given time-frame) from the list of instruments proposed earlier along with other instruments deemed useful after prior analysis of the substantive tasks to be performed. At the national and subregional levels, an organizational framework in terms of the essential instruments chosen for the execution of plans should be worked out and the staff necessary to make these structures function identified, selected and organized.

F. Establishment of a basic information system

61. A programme for the recovery of long-term planning potential must give priority to the improvement of basic data, without which proper analysis of economic policy cannot be conducted. Indeed, the deficiency in the system of data on African economies is well known: data describing the official economic system give an incomplete and inaccurate picture of real economic activity. Available data have always poorly appraised subsistence activities in the rural area, sales of local foods and the non-structured urban sector. With the upsurge of the crisis, the parallel economy is booming but, a growing number of activities escape the control of official circles and business is transacted at prices very different from those officially approved.

62. It is clear that any description of the economy that overlooks these parallel activities would be very incomplete. The immediate thing to do is to determine core formal definitions of a minimum data system for planning, in terms of set short- medium- and long-term objectives.

63. Within the context of pursuing endogenous development objectives, such an information system would, necessarily include:

(a) Main elements of a standard national accounting system established each year (with an input-output table, updated, for instance, every five years);

(b) Estimates of real income and expenditure of households per sector and per social group;

(c) Complete agricultural data on the main foodstuffs and export crops produced;

(d) Industrial statistics, principally production, use of installed capacities, costs and input-output correlation;

(e) Social statistics: education, health, nutrition, housing, employment, unemployment and satisfaction of basic needs;

(f) Budgetary data, with expenditure presented if possible in a manner that can be analyzed according to its economic function and its distribution per ministry;

(g) Data on the balance of payments, external debt and money supply; and

(h) Basic economic documents comprising feasibility studies on sectoral activities, project execution reports, all sectoral studies likely to lead to a better understanding of national, subregional and regional economic activity and development prospects.

64. In conclusion, the basic requirements that will enable planning to fully play its new role should be speedily met if the errors of the past are to be avoided. These requirements particularly have to do with decentralization within the context of popular participation, the integration of short-, medium- and long-term considerations into the planning process, the mastery of economic policy instruments and the establishment of a basic information system for planning purposes. The region can respond by rationally using established planning capacities; strengthening statistical systems at the national, subregional and regional levels; establishing economic policy instruments and adequate institutional structures at the national and subregional levels; and upgrading available human resources, especially, the technical staff, in the area of planning and statistics.

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STUDY ON SOCIAL SECURITY SYSTEMS AND NATIONAL DEVELOPMENT IN AFRICA: AN AGENDA FOR THE 1990S

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I. INTRODUCTION

1. In a broad sense, societies have always had some degree of social security. In small-scale communal tribes the whole ethos of the society reflects security based on social solidarity and mutual support. In modern industrial societies social security has developed rather specific and formal connotations, and to many people social security systems reflect impersonal bureaucracy and the imagined immutability of enacted legislation, and seem really a rather dry topic altogether. It is refreshing to bear in mind that these systems actually reflect very dynamic processes within societies, and are therefore constantly the subject of tension and change. Between national social security systems world-wide, there are ongoing processes of differentiation, harmonization, further differentiation, new areas of consensus, and so on.

2. This report is an overview of the status of social security in some African countries. The main objective of the study is to examine the various social security schemes existing in selected African countries, the types of risks covered, the coverage of the population, methods of financing social security schemes, and problems in the administration of various social security schemes. These are analysed with a view to ascertaining the extent to which the interests of the population as a whole are being assured and secured through the existing social security schemes. Towards this end, the report is organised in five sections. Section **one** introduces the study ; an overview of social security systems in Africa and current trends are included in section **two**. A wider coverage by social security schemes is presented in section **three**, while some specific social security issues, using examples from Ethiopia and Nigeria are discussed in Section **four**. Section **five** gives the summary and conclusion of the study.

II. AN OVERVIEW OF SOCIAL SECURITY SYSTEMS IN AFRICA

a) A Brief Examination of African Social Security and its Current Trends

3. A particularly clear chart of the spread of social security systems in Africa up to 1972 is provided by Pierre Mouton [2]. A scrutiny of this shows differences between Francophone and other African countries.

4. James Midgley points out that "Social insurance...is widely regarded as the most useful type of programme today." [3] It is therefore useful to study his Table 6.2 on this for selected developing countries with data from the beginning of the 1980s. Our Table 1, on selected African countries, is extracted from it, and separates out Francophone and non-Francophone countries to highlight their differences. (Other types of social security schemes in Africa have, of course, to be taken into account for an overall picture of these differences.) Those countries in a rather ambiguous position between Francophone and non-Francophone categorization are classified as non-Francophone, with the exception of Cameroon.

Table 1. Benefits provided by social insurance schemes in selected African countries.

Country	Benefit provided							
	Retirement, invalidity & survivor's	Funeral	Sickness	Maternity	Medical Services	Employment injury	Unemployment	Child Benefit
A. Francophone countries								
Algeria	X		X	X	X[1]	X		X
Benin	X			X		X		X
Burundi	X					X		
Burkina Faso	X			X		X		X
Cameroon	X			X		X		X
Chad	X			X		X		X
Congo	X			X		X		X
Guinea	X	X	X	X	X	X		X
Madagascar	X			X		X		X
Morocco	X	X	X	X				X
Niger	X			X		X		X
Rwanda	X					X		
Senegal	X			X	X[1]	X		X
Tunisia	X		X	X	X			X
Zaire X				X		X[2]		
B. Non-Francophone countries								
Cape Verde	X		X	X	X	X		X
Egypt	X	X	X	X	X	X	X	
Liberia	X					X		
Libya	X	X	X	X	X	X		
Mauritius	X					X		
Seychelles	X	X	X	X		X		
South Africa			X	X		X	X	
Zambia						X		

1 Partial treatment only. 2 Certain categories of workers only.
Source: Derived From J. Midgley's Table 6.2. Social Security Inequality and the Third World, Childester, 1984, pp. 136-7.

5. In Anglophone countries some of the above contingencies are covered under provident funds, as is shown in Table 2, which is extracted from Midgley's Table 6.4. This adds some balance to the picture, though provident funds, as will be explained later, are less in favour than social insurance schemes.

Table 2 Benefits provided by provident funds in selected African countries

Country	Benefit provided				
	Retirement, invalidity & survivor's	Funeral	Sickness	Maternity	Unemployment severance
Ghana	X	X	X		X
Kenya	X				
Nigeria	X		X		
Swaziland	X				
Tanzania	X		X	X	X
Uganda	X	X			X
Zambia	X	X		X	

Source: Derived From Midgley, o.p. cit., p. 143

6. Many African countries provide benefits through employer liability schemes, but these tend to be even less satisfactory than provident fund arrangments. Medical services are covered in this way in Benin, Botswana, Zaire and Zambia, unemployment severance in Tanzania, and, almost uniquely in the world, child benefits in Burundi, where employers pay a flat rate benefit for workers' wives and children. Table 3, extracted from Midgley's Table 6.5, indicates the spread of countries attempting to meet contingencies through employer liability.

Table 3. Benefits provided by employer liability schemes in selected African countries.

Country	Benefit provided		
	Sickness	Maternity	Employment injury
Benin	X		
Botswana	X	X	X
Burundi	X	X	
Congo	X		
Ethiopia	X	X	X
Gabon	X		
Gambia			X
Ghana			X
Kenya	X	X	X
Liberia			X[1]
Malawi			X
Mauritius	X	X	
Morocco			X
Niger	X		
Nigeria			X
Rwanda	X	X	
Sierra Leone			X
Sudan	X		
Swaziland			X
Tanzania	X		X
Tunisia			X
Uganda			X
Zaire	X	X	
Zambia	X		

1 Applies only to certain categories of workers, others being protected by different schemes.

Source:From Midgley, o.p. cit.; p.147-8

7. Among Francophone countries in Table 3, it can be seen that, apart from Congo, Gabon and Niger, it is the former Belgian territories, Burundi, Rwanda and Zaire, which do not provide for employment injury under their employer liability schemes. All six countries provide for this contingency through social insurance, the former Belgian colonies since 1949, Congo (along with Benin, Burkina Faso Guinea and Mali) since 1959, while Gabon and Niger switched from employer liability to social insurance in 1961 and 1962 respectively.[4] Though there is increasing interchange of ideas between national social security systems in Africa, there is still a tendency not only to stick to patterns inherited from the former colonial powers, but also for ex-colonies to use expertise from Paris,

London, Brussels and Lisbon respectively rather than interchangeably (perhaps also from Madrid and Rome).

8. One of the most useful instruments for productive interchange has been the ILO. This, along with its Convention No. 102 of 1952, has provided a neutral point of reference against which to gauge social security developments in Africa.[5] It has also been the vehicle for much vital research, which has helped to reveal where provisions are more or less dead letters, where financial, administrative, political and social problems get in the way of effective social security, and where most successful areas have been. This has reduced the extent to which each country has had to repeat similar mistakes and painfully re-invent similar solutions. ILO's regional office for Africa is in Lagos. Another organization active in this process has been the International Social Security Association (ISSA), whose regional office is in Lome.

9. To round off our initial summary of the principal types of social security in Africa, we should also point out the existence of the social allowance scheme in Mauritius and the social assistance scheme in Zimbabwe. Mauritius is one of the few countries in the developing world providing benefits for retirement and invalidity through a social allowance scheme. A large majority of the population obtains the pension.[6]

10. Zimbabwe operates a social assistance scheme, which it calls public assistance. Administered by social work personnel, and although tightly controlled, it seems to have a degree of flexibility. This has enabled it to provide assistance to those whom other social security schemes in Africa seem largely to miss, that is "individuals and families who are in desperate need, and in this respect Zimbabwe has done more than many other developing countries." [7] By 1981, 20,000 people were being assisted. Also 28,500 poor families were helped with funeral expenses, subsidies were being paid to voluntary organizations to provide residential care for the elderly and handicapped, and monthly grants were made to foster parents to care for neglected children.

b) Some Common Problems

11. At the core of social security provision in African countries there remains a crucial paradox. Especially with the economic crisis, it is very difficult for African governments to find ways of extending social security more widely to those supposedly most in need of it. "In almost all African countries, the vast mass of non-wage earners is made up of poor peasants, who....simply do not have the means to finance their own protection."[8]

12. Unless there were to be a totally different approach to social security in Africa (for example, an adaptation of Zimbabwe's public assistance scheme), the signs are that any attempt at substantial extension of the principal existing social security systems prior to major internal reforms would prove meaningless. The reality is that "African social security systems are currently suffering from a virtually built-in vulnerability and their financial foundations are crumbling"[9], and "Many of the social security schemes operating in Africa have been generally ineffective in providing protection even to the limited number of persons covered."[10]

13. This thoroughly unhealthy situation has been building up for some time -in certain countries, of course, even more so than in others. Developing countries spend a much smaller part of their GDP on social security than do industrial ones, though expenditure on social insurance schemes is better than on others.[11] Given that operating costs are generally higher in Africa than in industrialised countries, it is to be expected, for these reasons alone, that the sector would be relatively small.

14. Not only provident funds, workmen's compensation schemes and public servants pensions, but also "The social insurance schemes, in particular those operating in French speaking Africa, have suffered from financial difficulties attributable to a combination of inflation, mismanagement and poor investment."[12]

15. Forward planning of social security funds has been short-sighted in terms of both investment and expenditure. In their earlier years, the funds had a period of relatively few pension claims. Predictably, as their members have become older, this has changed. (For example, it is predicted in the case of Ghana's scheme that the number of pensioners will increase tenfold during 1991-96.) Unfortunately, "accounting surpluses were not set aside methodically by the funds in a form in which they could be mobilized to meet future outgoings."[13] Sometimes they have been spent rather freely, including on over-staffing, which has been part of the reason for their higher operating costs. Funds have also suffered from bad investment decisions and political interference; their vulnerability, to put it euphemistically, is not exclusively "built-in.

c) Provident Funds and the Movements Towards Social Insurance

16. In sub-Saharan Anglophone countries, provident funds have accumulated sizeable reserves, yet they often do not maintain their real value; what they realize for the member is worth even less in real terms than the member's contributions. When the lump sum is made available on retirement it usually proves useful for a while, but wholly inadequate to last until death. Some countries allow members to opt to receive the sum in the form of several payments, but this does not really solve the problem.

17. Provident funds were introduced into Anglophone African countries as a stop-gap measure, but frequently lasted much longer then intended (e.g. in Ghana, 25 years instead of the intended 5 years). And they largely outlived their usefulness. Certainly, social insurance pension schemes seem better able to guarantee retired people an income until death, and to assist survivors if there is provision for them to benefit should the death occur during the early years of retirement (e.g. up to age 72). Many countries that have not already done so have shown interest, with ILO and ISSA encouragement, in switching over to social insurance schemes. These are proper pension schemes in the strict sense and more truly representative of social security because risk is spread over the whole insured group rather than, as in provident funds, being tied directly to the individual member's contributions.

18. However, it has been found that the interest in making the changeover tends not to get beyond the planning stage "because of the enormous financial, psychological and administrative obstacles entailed."[14] One financial inhibitor is the fact that provident funds in sub-Saharan Africa have been invested heavily in public projects, which is to the immediate advantage of governments.

19. During the 1980s, making the switch has been a live issue in Nigeria, and slow to be resolved. In fact, the inadequacy of the National Provident Fund's retirement benefit had already been pointed out in 1972. In 1984 a ministerial committee's report concluded that the time was opportune to introduce a proper social security scheme in the country. One of the positive up- shots of pressures to change has been some reform within the fund, whose "members' contributions have consistently produced a negative real rate of return."[15] For example, in 1986 82% of its funds were invested in government stock and investment yields were only 7.5%. 1990 saw investments in government stocks at 45%, with yields doubling to 15%. There have also been efforts to reduce delays in processing data on contributions and claims by decentralizing responsibilities to state offices.[16]

20. Such decentralization has been a key administrative action taken in Ghana in the process of changeover which began in 1987 and was formalized on 1 January 1991. As in Nigeria and elsewhere, there has been a keen awareness among those responsible for the changeover that social insurance demands a high level of professionalism not only, of course, in terms of regular actuarial advice and assessments, but also in terms of collection, processing, storage and retrieval of data as well as effectivness in collecting the contributions themselves. This led, for example, to training workshops for the Ghana Provident Fund staff, so as to gear them fully to the new scheme, and appraise them of its requirements and advantages. To ensure the smooth operation of the whole system and effectiveness at the interface with members and potential members, decentralization includes computerization in all regional and district offices.

21. Ghana's experience is clearly potentially very useful to other African countries wishing to make the changeover. A salient aspect of this experience that can be shared is the effective information campaign run by the fund. This focused on government personnel (secretaries of state, heads of corporations, etc.), relevant organizations such as the Trades Union Congress (TUC) and employers' and professional associations, as well as on the public generally, especially through the mass media. A National Public Education Committee was formed and was replicated regionally and at district level. This had representatives not only from the National Provident Fund's successor, the Social Security and National Insurance Trust (SSNIT), but also from the TUC and professional and employers' associations.

22. This thorough educational process is no doubt reflected in the fact that, at the time when members of the Provident Fund automatically became members of the new scheme and their contributions were converted into pension credits, "pension applications started pouring in."[17] The benefits covered are (a) old age/retirement, (b) invalidity and (c) death/survivors.

23. SSNIT respresents a modest and encouraging part of the realization of the objective of spreading social security more and more widely in African society. The old provident fund in Ghana was available only to organizations with five or more employees. The new scheme entends to and is legally binding on all businesses where there is a definite worker/employer relationship (though military and security personnel are exempt), and, significantly, it is open to members of the informal sector. This latter feature strengthens the arguments for maintaining a public information campaign.

24. While, as has been stated, much remains to be done to reform and strengthen formal social security systems in Africa as a primary priority, gradual extension of coverage is also vital to maintain its relevance and, indeed, as a part of the reform process. There is no doubt that, while the word 'urgent' is appropriate as applied to improvement needed within and between the systems, 'gradual' is appropriate when applied to extension, for the difficulties are considerable and any extension will require consolidation.)

III. SOCIAL SECURITY AND SOCIAL PROTECTION

a) Social Security and Vulnerable Groups

25. Clive Bailey draws a useful distinction between social security and social protection.[18] This helps to place current social security objectives within the AAF-SAP orientation that emphasises the importance of protecting vulnerable groups and promoting their productive contribution, while not expecting African social security itself to do more than is viable in present realities. Thus he refers to protecting vulnerable groups through a comprehensive social protection strategy in which "social security may well have an important role to play...but the extension of income protection measures and health care should be considered in this wider context."[19]

26. Moreover, social security policy needs to recognize that the longer term priorities it emphasises, important as they are for many, may not currently be the main concerns of most of the rural poor, for whom, arguably, safe water and medical care "merit higher priority than the 'replacement' of cash income they have never had."[20] This is all the more so given that the longer term character of social security is even more pronounced in Africa than in the industrialized countries. "In Africa priority has been given to old age, invalidity, death and employment rather than short term contingencies such as sickness, maternity and unemployment."[21] While Francophone social security systems do focus more than Anglophone ones on maternal and child benefits (often interrelated and health-related), for people facing crushing survival problems the general emphasis on what seem very long term concerns -which they may never live to worry about- rather than on much more immediate contingencies, means formal social security systems are, <u>for the time being</u>, fundamentally irrelevant to the majority in Africa. At the same time, social security <u>can gradually</u> become more and more relevant to the population as a whole.

27. That is why, at the present stage of Africa's socio-economic development, emphasis on <u>social protection</u>, or to put the same concept more positively, community-based development, has to be the overall priority of governments until

such time as people are able to finance their longer term contingencies through the narrower sphere of social security. While that developmental process slowly takes place, social security provision should be gradually extended to all those who are able financially to contribute adequately to it. But such contributions should be made to finance directly the rest of society's putative social security needs. The real social protection needs of the whole society are obviously not in dispute, and general emphasis by government and other agencies in that sphere is the appropriate way towards offsetting imbalances between those who enjoy social security and those who cannot yet be included.

28. This approach does not try to penalize those who are provided for by social insurance and other schemes, it does not try to spread the little there is so widely as to completely water it down, rather it emphasises making the schemes work effectively for those within them, and empowering those outside them to play their full role in productivity and economic development, so that all can gradually enjoy a degree of prosperity. That, in turn, will make universal social security viable. Furthermore, in so far as the concept of social security theoretically draws its strength from notions of national solidarity, this process will contribute to the process of nation-building in Africa without which the evolution of sub-regional and regional cooperation will be hampered.

b) Wider Coverage by Social Security Schemes

29. Universal schemes already exist in Mauritius and Seychelles, family benefits are paid on a universal basis in Francophone Africa and Cape Verde, and Namibia has inherited an old age pensions system for all, though this is racially differentiated. But, to reiterate, for Africa generally, it is essential to proceed gradually, consolidating all the way. If a society is not yet ready for a certain stage, legislation can be counter- productive, possibly causing a whole national social security system to lose its credibility with the public, undermining the vital area of public information/education campaigning. "Where compulsory coverage of social insurance has been extended to the self-employed in Africa, it has proved difficult to achieve compliance", and it has also run into problems with the smaller employers.[22] Tunisia is frequently cited as an example of this.

30. Where countries are moving away from provident funds, it is not always easy to ensure workmen's compensation schemes are fully incorporated at an early stage in the move towards social insurance. For example, in 1987, despite accepting that its provident fund should become a social insurance scheme, the Board of Nigeria's fund, "decided that the Workmen's Compensation Act should continue to be administered as a separate programme from the proposed Social Security Scheme."[23]

c) Employer's Liability Schemes and Employment Injury Schemes

31. In so far as employer liability schemes are one of the most unsatisfactory areas of social security in Africa, employees finding it hard to press home their claims effectively, this kind of loose-end seems unsatisfactory. Bailey points out that "Workmen's Compensation schemes and other employer liability provisions....are still common in English speaking Africa where social insurance

principles have not been fully established."[24] And in terms of coordination, Midgley notes that "A major problem with the division of different social security schemes is that they operate independently and that few efforts have been made to harmonize their various provisions or to co-ordinate their functions within the framework of a national social security policy. Consequently, different schemes sometimes overlap and even come into conflict with one another."[25])

32. This is not to gloss over the hiatus that has developed in twientieth century Africa between traditional informal social systems and limited modern formal ones. With the "modernization" process in Africa, and with this process not being supported by sufficient socio-economic development, large parts of the continent's population are left unaided between the two systems. Clearly this includes much of the urban informal sector, though one remains conscious of the danger of encouraging still further the urban-rural gap if concentration of social security expansion were to be exclusively within this sector.

1V. SOME SPECIFIC SOCIAL SERUITY ISSUES : EXAMPLES FROM ETHIOPIA AND NIGERIA

Ethiopia

a) The constitutional background

33. Government sponsored social security came about in Ethiopia as a result of "modernization". The background to this process included incorporating and adapting a European and particularly the French system of legal and social justice. Most of the family laws outlined in the 1957 Revised Constitution are still in force. Specific statutory provision for Ethiopia's present social security system began with the Public Servants Pension Decree Number 46 of 1961, amended by Proclamation Number 209 of 1963. The social security system is still quite limited in terms both of who is covered and what contingencies are covered. To have a clearer picture of what are areas that constitutionally are open for expansion and what are not satisfactorily covered, it is worth looking initially at the constitutional setting for the existing social security system, and, before that, a few more traditional aspects.

34. When referring to social security, the 1957 Revised Constitution acknowledges some aspects of tradition. This includes the support of the extended family system for vulnerable members, and the system of adoption which entailed the provision of socio- economic security. More than anything else, modern social security is depicted as aimed at alleviating poverty, and to some extent at protecting the worker from the vagaries of employment in the manufacturing industry.

35. Government in Ethiopia did have some involvement in aspects of social security before the 1961 Pension Decree. In the 1950s and 1960s, a form of

pension was given to those who had served the state loyally, particularly by participating in the wars of resistance during the Italian-Ethiopian conflict of 1935-41. These pensioners, who included a large number of women, received their support in kind, mostly land. They were allocated the latter from government reserves, which included the large private holdings of Emperor Haile Selassie. This scheme also included widows of the Korean War of the early 1950s in which the Ethiopian army participated as part of the UN Peace Keeping Force. (Emperor Menelik II made similar provisions for veterans of the Battle of Adowa (1896), and for relatives of those killed.)

36. By its nature, this was a temporary "pensions scheme". The land involved reverted to the state as the pensioners died. Such pensioners extracted income from the land either through farming it themselves or renting out their usufruct rights. Their income was entirely dependent on the climate and on how they handled their "pensions" land. With the 1974 revolution, the scheme ceased to be operational.

b) Old Age Pensions

37. The first areas of social security for civil servants were old age pensions and maintenance of dependents. These were provided for in Article 16 of the 1957 Revised Constitution. The old-age pensions scheme was seen as geared to looking after the urban-based waged sector, including the armed forces, which had by 1957 been alienated from the rural agricultural base. The constitution also incorporated the obligation to maintain dependants, which emanates largely from customary laws of adoption and extended family responsibilities.

38. The 1957 Revised Constitution states that the regular pensions scheme should be based on earnings-linked contributions, from its inception providing for widows whose husbands were government employees. Article 5 covers the subject of dependants. (Also Article 4, Section 12, Numbers 807-825), section 12 Widowers whose wives had worked for the government would not be entitled to claim their wives' pensions either. Children under the age of eighteen were provided for under the pension of their deceased father until coming of age. Also provided for were aged parents who survived government employed sons who had been supporting them.

39. Article 16 of the 1957 Revised Constitution covers invalidity and death at work, security at work, holidays and leave, unemployment and family allowances.

c) <u>The social security scheme</u>[29]

40. The present scheme still operates within the overall framework and theory set out in the 1957 Revised Constitution, and, with the possible exception of its military side, has survived relatively intact, as have the 1957 constitutional provisions. There are two areas especially, however, on which the ideological context of Ethiopia's period of Marxism-Leninism has had a major impact on the scheme: the incorporation of nationalized enterprises and investment. These will be considered shortly.

41. Ethiopia has not signed ILO's 1952 Convention 102, though its basic policy has always been supportive of it. The problem has been that it has been economically impossible for the government to cover all nine contingencies of the Convention; Ethiopia's governmental social security system, a social insurance type, covers only the four contingencies of a) Old age (retirement pension b) Invalidity (invalidity pension)c) Death/survivors pension d) Employment injury benefits.

42. Up to 1975 only two types of employees were covered under the national social security scheme: Civilians working in government institutions (ministries, etc.) and the military (including police). Two funds were established, the Civilian Fund and the Military Fund, though, as we shall see, moe on paper than in reality. After the 1974 revolution many private enterprises were nationalized, and these became known as Government Owned Undertakings. By Proclamation Number 49 of 1975 all pension schemes, including provident funds, were incorporated within the national scheme, a separate Undertakings Fund was established and members and their contributions from the old private schemes automatically continued under the new fund. Because this fund commenced with a strong capital base, it has proved to be the most financially viable part of the national scheme. It coverage includes wife/husband, children under 18, and parents partly of fully supported by the member. A number of non-nationalized enterprises (e.g. Shell) have continued with their own arrangements for employees' benefits. Such employees can, at the same time, also be members of the national scheme.

43. Those contributing to the Civilian and Undertakings funds pay 4% of their salary, and the employer add 6% of the salary. Contributions to the Military Fund have been 4% and 16% respectively. Contributions are monthly and the minimum amount is twenty Birr (US$1.00 = Birr 2.07).

44. Pension entitlement requires: a) Attainment of retirement age. Since soon after the 1974 revolution, has been reduced to 55 for both men and women. Efforts have been afoot for some time to raise this age as it adds some burden to the scheme as well as wasting skilled personnel; b) Non-fulfilment of medical conditions for service; c) Voluntary resignation after completing ten years' service; and, d) Death, leading to survivors' entitlement to a pension.

45. Pensions are paid monthly. Those who have worked for Undertakings are paid through branches of the Commercial Bank of Ethiopia. The others are paid through local offices of the Ministry of Finance (MOF). Calculations include: a) For the first ten years of service, 30% of the average basic salary. For every additional year, 1% for civilians and 1.5% for military. The total maximum is 60%; b) A public servant who is incapacitated as a result of an occupational injury or disease is entitled to 45%, more if service has exceeded 10 years. Again, the limit is 60% of basic salary; and, c) Survivors receive a percentage of the deceased pension, or of the pension the person would have received. Widows receive 50% of this, semi-orphans 10% each, full orphans 20% each, and parents up to 20%. Totally, these benefits cannot exceed the amount that the original pensioner was entitled to.

46. Those who retire before ten years of service receive a lump sum gratuity equivalent to the basic salary for the month preceding retirement, or, in the

case of military, one and a half times that month's basic salary, multiplied by the number of years of service. Appeals can be made against decisions/calculations to a pension Appeal Tribunal which was established by the Public Servants' Pension Proclamation Number 5 of 1967, Article 6.

47. What is commonly known in Ethiopia as the Pensions Commission has passed through several changes of name.Among these have been the Ministry of Pensions, more recently the Pensions and Social Security Commission (PSSC) and currently the Pensions ans Social Security Authority (PSSA). On a day-to-day basis, PSSA operates autonomously. However, it comes under the Ministry of Labour and Social Affairs (MOLSA), which represents it on the Council of Ministers and is responsible for pensions and social security policy matters.

48. PSSA has a Commissioner and a Deputy Commissioner. It has three departments with direct responsibility for the pension award process. These are the departments of Registration and Verification; Benefit Entitlement; Finance. There is a department with the task of formulating policies and drafting legislation concerning extending social security services, the Social Security Expansion Department.

49. There are also the Administrative and Legal departments, as well as five other sections called "services". The latter are the services of Planning and Programming; Audit and Inspection; Computer and System; Public Relations; Social Service. There are also regional branch offices (15 in 1988, but there number seems to be in a state of flux for a number of reasons, including the setting up of new regions during 1989.)

50. Overall, the Commission and the national social security system is not self-financing. The only sector which is more or less economically self sufficient is the Undertakings fund. Otherwise, almost all operational costs (2.5 million Birr or more annually since 1984/85) and non-Undertakings benefits payments have to be provided from the government's central treasury. This situation does not conform with the intentions for the first two pension schemes when they were established (civil and military). The cost of correcting matters escalated as these sectors expanded. The issue has been lucidly summarized by Solomon Girma, a PSSA departmental head, as follows:

> "The original intention has been to set up a civl pension fund and a military pension fund into which the 10% and 20% contributions could be paid. However, the actual practice has resulted in these funds being operated on the annual assessment ('pay-as-you-go') principle where the costs of benefits are met directly from the national budget. But this practice does not seem to be appropriate because the constantly increasing costs are found to, ultimately, reach unbearable levels. Furthermore, this budgetary method of financing and subsidising social security can be a mechanism for a regressive redistribution. Therefore on grounds of both efficiency and equity it is essential that the Civilian and Military Pensions Funds be established, as provided for in the Proclamation."[30]

51. Reserves were never organized for the Military Fund, and only an insignificant one for the Civilian Fund. The Ministry of Finance has had to foot the bill for these. How long this subsidising of Ethiopian social security can continue under prevailing economic and other conditions is unclear. Moreover, the military sector of the scheme is now really only operating for pensioners who were already receiving benefits when the present government came to power in mid-1991. With regard to new and future old age and injured military pensioners, PSSA is awaiting directives from the Transitional Government and the Ministry of Defence (MOD).

52. Virtually all investments have been from and for the Undertakings Pension Fund. This has been severely hampered by ideological directives and, not unrelated, the post-1974 economic malaise. A few investments have been made in the very limited number of enterprises that were to a greater of lesser extent beyond total government ownership, including Ethiopian Airways, but nealy all investment has been in government bonds, time deposit account at the National Bank and loans to such institutions as the Housing and Savings Bank (the government owned national "Mortgage Bank"). In the fiscal year 1984/85, new investments were Birr 18.4 million (26.8 million the previous year). The next year new investments plummeted to a mere Birr 2.9 million, and continued to fall. This reflected a new credit policy of the government which cut the amount of interest payable from 6% to 1%, a further blow to effective pension scheme management. The unhealthy state of affairs can be seen from the following comparisons taken from 1987/88, excluding the military. Amount of benefits paid: Birr 135,776,008 to 299,613 pensioners/survivors; PSSA's administrative budget: Birr 2,470,108; investment from Undertakings Fund (virtually no other investment): Birr 1,752,018.

53. Actuarial assessments were supposed to carried out every five years. So far there have been three only, in 1961, 1976 (both by ILO experts) and recently by a PSSA actuarial expert. The latter will be finalized during 1992.

54. Individual files are kept on each contributor and pensioner, except for military contributors because of the extra confidentiality necessary regarding such personnel. Files on the latter are the responsibility of the MOD. When military employees reach retirement, PSSA is requested to complete the required forms, and thereafter keeps a file on the military pensioner. As a result of recent historical circumstances, there appear to be many possible claims concerning survivors' and invalidity benefits that are beyond the present capacity of PSSA to cope with and that have to be settled between MOD and MOF.

55. There are two shorter term social security benefits administered separately from the four contingencies already discussed. These are sickness and maternity benefits. Coverage is essentially as follows: a) Through the Central Personnel Agency (CPA), for public employees not in the military or police, i.e. those working in the civilian ministries. Maternity leave is 45 days from the date of delivery; and, b) Under Labour Proclamation Number 64 of 1975 for workers in Undertakings. After a probation of 90 days, employees are entitled to sick leave with full pay for the first month, half pay for the next two months and without pay for a further three months. Marternity leave is 45 days, and, if stated as necessary by a medical doctors' certificate, pre-natal leave is granted with full

pay. If an undertaking ceases to operate or an employee is made redundant, the employee is entitled to a severance pay of two months' wages.

Nigeria

a) Modern Social Security schemes

56. To date, there is no national social security system which covers all categories of individuals for the purpose of disability, unemployment or old age security in Nigeria. The various schemes which are tied to employment statuses were generally developed after the second World War during the period of colonisation by the British. These public schemes involve pensions, compensation for injury, death, sickness, maternity benefits, housing and transportation allowances, tax allowances for children and some welfare services. There is as yet no national health insurance. Private companies tend to follow the broad pattern laid down for the public sector but in addition, may initiate special saving schemes for employees. Voluntary insurance also exists for the private citizen and compares policies include life, motor, fire, educational, industrial life, marine, aviation and transit as well as accident insurance.

57. Taken as a whole and in common with other systems in Africa, the social security system in Nigeria works to the advantage of the employed, those with comfortable incomes, urban dwellers and males. As noted elsewhere (ACARTSOD 1986) agricultural workers, ruralites, family labour, domestic workers and the like hardly benefit from the present structures.

b) Pension Schemes

58. The Ministry which handles pension schemes in Nigeria is the Federal Ministry of Establishments and Management Services. For the generality of public officers and civil servants, a pension is guaranteed through one's contract of employment and certain decrees which over the years have secured the right to pension. Progressively, an attempt has been made to clarify these rights and remove ambiguities. This remains an on-going process (Emiola 1981/2). The sources for pension rights in Nigeria include the Pension act 1951, the Pension Act 1979, the Labour Decree Act 1974 and the Nigerian Constitution of 1979.

59. The focal Act is the Pension Act 1979 which cancelled the ambiguities of the 1951 Act in which an officer "man be granted retirement pension". This right was made absolute in 1979. Also, the Constitution gave a worker this right. The Act of 1979 outlined conditions and benefits. The payment of gratuities and pensions are based on income and length of service, neither are awarded as flat-rate benefits. The conditions and benefits are as follows: (1) An officer is to receive a gratuity if he/she completes 10 years of continuous and unbroken service in a permanent appointment and a pension after 15 years at which time the officer must also be at least 45 years; (2) Retirement may be voluntary or compulsory. In the former, an officer can voluntarily retire after the age of 45 years but at this age he/she may be compelled to do so allowing a notice of three months. The compulsory age for retirement is 60 years except for judges, where it is 65 years. No pension is calculated for any work done below the age of 14 years; (3) Gratuity is a lump sum, the minimum of which is 100 per cent

of the annual salary. It is progressively increased by 10 per cent for each year until 300 per cent is reached for 35 years of service; (4) A maximum pension of 70 per cent is calculated for 35 years of service and no officer can receive less than Niara 300 (now N1,200) per annum; (5) Pension is paid until an officer dies, but if he/she dies within five years of retirement, it is paid to dependents for the five years following retirement; (6) An officer receives pension and gratuity if injured in the line of duty; (7) Survivors' benefits in the form of gratuity (accordingly) and pension (for 5 years) are paid to the immediate kin/dependents of an officer who dies while still on duty. Survivors are wife/wives and children (legitimate, 'illegitimate' and those born after death). If an officer is missing or killed as a direct result of the employment, a widow (widows) receive 1/3rd of the pension of life and each child, for up to 6 children, also receives some (1/9th) pension until the age of 18 years. A reduced amount is awarded if the officer was not pensionable.

60. From the beginning, the Armed Forces have received special attention. Military gratuities and pensions came into operation in 1949 with pensions awarded to officers after 10 years of service, for medical discharge, for injury on duty, death and after the age of 45 years. For other ranks, 18 years of service. In addition, the Armed Forces Pensions Decree of 1979 took into account combat activities and stipulated that for officers serving between 1967 and 1970, each war year will be counted as two for the calculation of benefits. The minimum pension was given as N360 per annum. Ten and 15 years of service were made mandatory for gratuities and pensions (Supplement of Official Gazette 1979).

61. Pensions and gratuities are charged to the general revenue of Nigeria. Taxes remain an important source of revenue, although the money obtained from personal income tax does not contribute much to the government's source of revenue. The bulk of revenue comes from company taxes and petroleum profits (Ndekwu 1988). The first income tax was introduced in 1904 by Lord Lugard and numerous changes were instituted until 1961 when the Income Tax Management Act was developed to tax salaries, rent, wages and fees. In 1966, it was amended to include gratuities, compensation, bonuses, premiums and benefits given or granted (Fashokun, 1978) and in 1979 the Capital Transfer Tax tapped gifts and inheritance but remains largely unenforced (Adesola 1988/89). Income is taxed through the P.A.Y.E. system and tax forms are required from public officers annually. However, in Nigeria, income taxes remain a poor source of revenue for social security and welfare services. Inadequate record keeping, equipment and rampant tax evasion occurs. Although, smaller in proportion, more taxes are obtained etc., who are taxes after the direct assessment of their annual returns forms.

62. For those working in private or public companies, a compulsory savings schemes in the form of a Provident Fund was developed in Nigeria as was common with other English-speaking African nations. In 1961, the National Provident Fund act came into being through which an employer of more than 10 persons could deduct a maximum of £2 (N4) from a workers pay, increase it by an identical amount and deposit the total in the fund of behalf of the worker. Initially at 55 years and now at 60 years, the worker could withdraw the savings as lump sum or receive an annual amount up to the volume of his/her credit. A survivor's benefit could be paid a widow or executor in the event of death. Unclaimed

monies reverted to a National Provident Reserve Fund. Withdraw was permissable in so far as the worker had contributed for at least 2 years. No withdrawal, age benefit or survivors benefit could exceed the worker's contributions. The core of the Act stands today even though several amendments have occurred. In addition to the PF, many companies have supplementary gratuity schemes tc which a retiring confirmed worker can benefit if he/she is 55 years and has served for at least 5 years.

63. The amount expected from workers as their monthly contributions has not been altered since the 1961 Act. The present contribution of N4.00 is equivalent to £2 (Nigerian pound) at the time Nigeria altered its currency. In 1978, it was declared that all government offices on levels 01 to 17 were now pensionable and none need further contribution to the Fund. Any amount paid into the Fund by the government in respect of a worker (as an employee of the government would be deducted from the gratuity when the latter claimed the standing credit in the Fund, upon retirement (Circular 1978). In 1990, about 5.6 million naira were paid as benefits to 11,910 claimants. Table 4 indicates that the volume of benefits and claimants has decreased since the mid-1980s.

Table 4: Statistics on the National Provident Fund

Year	No. of Employees Registered	No. of Workers	Contribu-tions N"000"	Payment/ claims N"000"	No. of claimants
1983	460	90617	38436	7688	11359
1984	550	59414	37895	5964	16226
1985	566	80591	39842	7830	21686
1986	736	70777	44263	7833	22733
1990	-	-	55000	5600	11910

Sources: (1) Quarterly Bulletin of Labour Statistics for 1987.
Pub. FM of Employment, Labour & Productivity: Lagos. 1990, pp. 67-9.

(2) Sunday Times 16/12/91, p. 2.

64. In sum, with regard to old age benefits, Nigeria has not changed fundamentally the schemes laid down over 30 years ago. Although retirement ages and payments have increased, there is still no overall system which covers the non-employed population. Mauritius for example provides a non-earnings related pension scheme for the entire population (ACARTSOD 1986) and Ghana is experimenting with a social insurance policy to which the non-employed can contribute. Also, unemployment benefits system whereby a worker could obtain a 'withdrawal grant' if contributions had been made for two years. By the National Provident Fund (Amendment) 1976, the age (55 years) stipulation for withdrawal was removed to allow workers who are removed or dismissed, as a result of the on-going retirement exercises, to claim their entitlements (Official Gazette 1976). As of 1986, only 4 countries (Ghana, Libya, Egypt and South Africa) had

appreciable unemployment policies, but these remain quite diverse (ACARTSOD 1986). Todate, this dimension has not been given priority and will prove difficult in the face of the escalating economic cirsis and retrenchment of workers.

(c) Compensation Schemes

65. Compensation during sickness, invalidity or injury is generally paid under employer's liability in Africa. In Nigeria provisions for such benefits were established via the 1942 Workmen Compensation Act (and its amendments). Other minor provisions can be found in the National Provident Fund Act of 1961, the Factories Act of 1956, the 1974 Labour Decree and the Minerals. Regulations (118 of 1958) (Emiola 1979). Provisions have been made for temporary injuries, incapacity and death. Only persons earning less than N 1,600 per annum, unless it is earned by manual labour, can claim for industrial injuries in the course of employment. Unlike several North African nations and others South of the Sahara, domestic and homeworkers, agricultural as well as handicraft workers are excluded from such benefits in Nigeria. For instance, in Egypt, Libya, Algeria and the Sudan agricultural workers are covered as are domestic labourer in Zaire, and Senegal (ACARTSOD 1986). Also, employees in establishments of less than ten persons are not covered.

66. The amount to be paid in Nigeria can either be agreed upon jointly by the employer and employee or settled by the court. A rather complicated formula has been developed for payments and stipulates that the amount "shall be or shall be at a rate proportionate to, a monthly payment of two-thirds of the difference between the monthly earnings which the workman was earning at the time of the accident and the monthly earnings he is capable of earning in some suitable employment after the accident." In neither case, can payments exceed N40 a month. In addition, payments can not be given for more than 96 months. However, a lump sum can be awarded in lieu of monthly payments. The employer is also liable for the cost of transportation to place of treatment, doctors bills, the payment of artificial limbs and other apparatus. Of the two systems of payments generally operating for permanent and total incapacity, Nigeria favours the payment of a lump sum calculated as several months' earnings. The other approach pays a percentage of the earnings. Fifty-four months income or N3,200 whichever is less is the amount payable. It ranges from 48 to 96 months across the continent (ACARTSOD 1986). Similar to most African nations, partial disability attracts a percentage of the earnings depending on the degree of disability.

67. A worker must notify the employer before leaving the employment and within 6 months of the injury. In addition, he/she must submit to medical examinations and treatment. Sickness claims can only be made for diseases arising out of the course of the employment. This is also true of death from injury or sickness. A number of factors are used to calculate compensation after death including the claims of all dependents, the age of the diseases, other benefits accruing to him/her and the age of the widow (Emiola 1979).

68. For the worker protected under the Provident Fund, sickness and invalidity benefits can be claimed against his/her credit. This form of compensation however remains restrictive since it can only bae drawn on after a month, and when the

worker has been contributing for 2 years. In addition, such amounts must be deducted from the final old-age benefit at retirement.

69. Across the continent, compensation within African countries tends to be in the form of a lump sum, although a few countries (Mozambique, Namibia, Zambia) have instituted pension schemes. Another problem appears to bae the complex systems devised for calculating entitlements based on wages and the degree of incapacity, which have been instituted among the Francophone nations in particular (Mouton 1975). Simplified methods will be required if the future coordination of systems is to be taken seriously.

(d) Maternal Benefits

70. Owing to the generous policies of the French government, the Francophone nations had a headstart on maternity benefits during the 1960s. Even though today they remain far behind what obtains in France which still outstrips most advanced nations, improvements have continued to be instituted. Compensations have generally been on the increase. Although, many other African nations have been slow in revamping their maternity benefits, it is generally considered that in Nigeria, benefits conform to international standards and are even better than some Western nations with regard to some provisions (Agomo 1985). Entitlements are based on the contents of the Labour Act 1974 and the Maternity Leave Circular of 1979 and 1984. A married female worker can presently enjoy 12 weeks of continuous maternity leave with full pay, if she produces a medical certificate by a qualified medical doctor of her condition. Unmarried women get 12 weeks with no pay. The full pay for married women instituted in 1979 was an improvement over the 50 per cent of wages stipulated by the Labour Act 1974. Many establishments, both private and public had been paying the full wage before 1979 (Aina 1991). Nursing mothers are also entitled to half an hour twice a day to attend to their babies. This remains one of the unsatisfactory dimensions of the system. A Nigerian other-to-be can take maternity leave after only 6 months of service to the employer, unlike in Britain where 2 years is required (Agomo 1985). Also, a woman's employment can not be terminated during her maternity leave. However, an employer may not be charged for the expenses accrued during pregnancy or confinement whether or not these were maternity related. It has been noted that many employers don in fact operate schemes which incorporate free medical treatment during confinement into their maternity schemes (Agomo 1985).

(d) Family Benefits

71. Unlike the French, the British did not institute a wide range of family benefits in the colonies. The emphasis of the government was to provide wages for the male worker and allow the informal extended family and indigenous systems to supplement household needs. Thus, such items as birth grants, allowance to households and prenatal allowances did not feature in the benefit schemes of Nigeria and other English-speaking countries. It is therefore not surprising that emphasis has continued to be placed on allowances for males as 'bead winners' or heads of households even though, the indigenous family system of many ethnic groups emphasis polygyny and the heavy financial responsibility of women to their children. This pattern of responsibility differs from that of the West, considerably. The focus on the male as provider has perpetuated a scheme of

family benefits (in Nigeria) in which few benefits are granted and these tend to draw attention away from women and the needs of the household unit.

72. Income tax allowances as opposed to cash allowances is the method used for relief. A man may thus have his tax load reduced by a personal allowance, wife allowance, child allowance (4 children up to the ages of 18, unless in school) and a dependent relatives allowance. The wife and child allowance are not granted married women. Only single mothers (as opposed to separated and divorced) are treated as being responsible for their children. Rather than expand the volume of benefits, the approach has been to increase the relief on established items. Thus, for instance since 1988, N400 has been allowed for each child as compared to the former sum of N250.

73. The reliefs and allowances accorded males has been a great temptation for fraudulent claims. Many men have, as early as is practicable, declared themselves married with children in town. The official reaction has been to tighten the conditions for entitlements rather than alter these, or liberalise as in the case of neighbouring Francophone nations. Documents indicating the birth, ages and educational status of each child are now required with the submission of the tax forms each year.

(e) Voluntary Insurances Schemes

74. Voluntary and private insurance schemes have been in operation in Nigeria since 1921 with the establishment of the Royal Exchange Assurance, a British venture. The first Nigerian Company, the Universal Insurance Company, was founded in 1961 the same year the Insurance Companies Act came into being. The Insurance Decree 1976 further outlined the regulations for establishing and operating a Company Official Gazette 1976). To date, forms of insurance are divided into life and non-life policies with the latter being significantly more popular and covering fire, accidents, motors, marine, workmen's compensation, educational needs, etc. Many administrative and infrastructural problems however affect the efficiency of the insurance business. Poor statistical data, the difficulty of calculating the ages, many policy holders, cumbersome methods of collecting premiums and inadequate manpower have been
cited as major obstacles (Ogunniyi 1973; Ogunsola, 1973).

V. CONCLUSIONS

75. The health of social security in Africa is dependent primarily on social, economic and political developments in each country. National isolation of schemes, tied to the remains of zonal colonial social security traditions, is giving way to ever increasing exchange of experience and ideas, often leading to areas of consensus regarding the way forward. An example is the widespread acceptance among Anglophone countries of the wisdom of moving away from the provident fund tradition that has been common among them to genuine pension schemes that have been more characteristic of Francophone African nations. A great deal of experience and social security have skills been gained since countries became independent. Some countries are able to share valuable lessons with others, such as Ghana's experience in running a public consciousness-raising campaign on the value of real social security. There is also greater awareness

among senior personnel in African governments of the various advantages of social security, and of the need gradually to expand it.

76. Ethiopia has the clear advantage that it already has a proper social security pension scheme, and does not face the daunting prospect of changing over from a national provident fund. But that is just as well, for the problems the scheme does face are sufficiently daunting in themselves, as in many African countries. The basic problems are largely not of the scheme's own making, but emanate from the nation's overall difficulties and transitional situation. The scheme has the backing of relatively strong and detailed constitutional and statutory provisions, as well as thirty years of experience that has seen the emergence of some highly skilled members of staff. Except for reserves in the civilian and military funds, the foundations are therefore very well laid to take advantage of any improvements that may occur in the socio-economic situation of the country.

77. Nigeria falls within the groups of African nations formerly under British influence. This history has greatly affected the approach to social security. The emphasis has been on providing services for workers particularly those employed in the public sector. Thus, effort has gone into providing pensions, injury and sicknes benefits as compared to unemployment and general coverage schemes. Another basic feature has been the lack of interest in the family or household as a unit for survival as occurs among the French speaking nations which were influenced by French legislation. Dwindling resources and the need to accumulate foreign exchange greatly hampers the development of needed benefits and research for the evolvement of schemes suited to cultural needs. At present, the official and substantive social security measures are unable to contribute much to social development or stem the impact of countless and unforseen contingencies.

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